

2018 Errors and Omissions (E&O)



General Renewal Information

Open enrollment will commence on or about April 1 and close on April 11. Remember, you must go on the enrollment site to select a payment option, including pay by commission. **Without making this selection you will be unable to download your certificate of proof of coverage.**

If you have not completed your enrollment by April 11, the system will auto-enroll you on April 12 with a one-time commission payment election. To enroll online, login to AdvisorCompleteSM and select "My Business" then "Rep View". Go to "Regulatory Action Items" and click "Enrollment."

Cost of Coverage

The costs of coverage for the various participation categories for the 2018-2019 policy renewal are:

Primary Policy	\$3,650	
Excess Unit	\$2,700	
Field Assistants	\$1,200	
Outside RIA Producers	\$7,000	Mandatory add-on for Independent IARs.
Outside RIA FA	\$1,750	Mandatory add-on for Independent RIA FAs.
Registered Solicitors	\$1,750	

Primary Policy

The primary policy provides coverage of \$2 million per claim with a \$15 million aggregate limit. Subject to the terms and conditions of the policy, coverage is provided for sales of securities, fixed and variable insurance and annuities, property and casualty, financial planning, and investment advisory services. Coverage is also provided for life settlements business. The cost of coverage for the primary policy is **\$3,650 annually**.

Excess Policies (Unit)

In addition to renewal of the primary policy, we will also be renewing two excess policies offered as a single unit of additional coverage. The primary policy coverage will remain unchanged at \$2 million per claim limit, subject to a \$15 million aggregate limit. The excess coverage unit will include:

- An additional \$2 million per claim limit subject to a \$15 million aggregate limit; and.
- An additional \$1 million per claim limit subject to a \$20 million aggregate limit.

The excess coverage unit thus will provide an additional \$3 million per claim and \$35 million aggregate limit over the primary policy for total coverage of up to \$5 million per claim subject to a \$50,000,000 aggregate limit. The cost of coverage for this excess unit is **\$2,700.00 annually**. This coverage will mirror the primary policy, except it is subject to a "prior acts" date of April 1, 2010.

While we highly recommend that advisors purchase the excess coverage, several categories of advisors are *required* to carry the excess coverage.

- **PartnersFinancial requires that all PartnersFinancial principals carry the excess coverage.**
- **NFP requires that all employees of NFP-acquired firms carry the excess coverage.**
- **Kestra Financial requires that all producing representatives with Kestra-acquired firms carry the excess coverage.**

Renewal Process

- **Access to the online payment system is located on the AdvisorComplete website. On the Home page, go to the top bar menu and select “My Business” then “RepView.” Click on the “Regulatory Action Items” tab. Go to the “Errors and Omissions” section and click the “Enrollment” link. You will be taken to the site for enrollment, payment, and initial retrieval of E&O certificates for proof of coverage.**
- Throughout the year, you can reprint your E&O certificate or obtain additional copies as needed. Follow the same process as above, except on the “Errors and Omissions” section, click on the “Certificates” link.

You must complete your payment first in order to download a certificate.

Payment Arrangements

The E&O online system should be available on or about **April 1**. You will have the ability to pay by check, credit card, commission deduction, electronic check (eCheck,) or intercompany journal entry transfer (if eligible). Late payments will be subject to the Kestra Financial Arrears Policy. Please [click here](#) for details.

Credit card or commission deduction monthly payments (if eligible):

All representatives who had gross production greater than \$50,000 in 2017 will be able to pay monthly by credit card or commission deduction. To do so, click the “Process as Recurring Payment” checkbox on the “Payments” page. Monthly fees will be 10 percent higher to offset additional expenses to offer this feature.

By selecting to pay monthly:

- You will be authorizing Kestra Financial to deduct the 12 monthly payments by either credit card or commission deduction.
- If you terminate your registration with Kestra Financial during the policy year, you will be responsible for paying the full balance of the annual charge upon termination.

Intercompany journal entry transfer payments (if eligible):

- Registered representatives with Kestra-acquired firms are required to make payments via accounting intercompany journal entries.

Check payments:

Check payment instructions are below. You will not be able to download your new certificate until the check is received by Kestra Financial.

Please make checks payable to:

Kestra Investment Services, LLC
Attention: Accounts Receivable
5707 Southwest Parkway
Building 2, Suite 400
Austin, TX 78735

Check Memo: rep name, rep number, "2018-2019 E&O"

Registration and Status

If you decide to terminate your registration with Kestra Financial, your **E&O coverage will not extend to claims arising from activities after the termination date and no refund will be provided.** Subject to the terms and conditions of the policy, you will have tail coverage for activities conducted prior to the termination date, as long as you are retiring from securities and insurance business, or as long as Kestra Financial maintains the current policy.

All representatives who remain registered with Kestra Financial as of April 1, 2018, will be required to enroll in and pay for E&O coverage.

Contact Information

- For questions regarding system problems or E&O coverage issues, contact e&osupport@kestrafinancial.com.
- For payment received questions, contact Producer Compensation at 844-553-7872, Option 5.
- For website assistance, contact Operations Support at 844-553-7872, Options 1,1.
- For information on terminating your registration or changing your registration status with Kestra Financial, please contact the Licensing and Registration Department at registration@kestrafinancial.com or 844-553-7872, Options 6, 1.